

WARRANT COMMITTEE MEETING MINUTES

JUNE 30, 2004

Handout(s) given out tonight:

1. *June 22 email RE: Brookline Cooperative Fuel Bid Results from Judi Kiernan to Barbara Hagg*
2. *Town of Belmont Budget Forecast for FY06-FY09*
3. *TOB Comparative Financial Statements for the Eleven Months Ending 5/31/04 and 5/31/03*
4. *Reserve Fund transfer request - \$20,160 memo on 6/8/04 from Town Accountant Hagg*
5. *FY 2004 Legal Expenses memo on 6/23/04 from Town Administrator Kleckner*
6. *Warrant Committee Summer 04 Subcommittees*

Members absent: P. Schafer, D. Hobbs, D. Kobus, S. Stratford (Donna Griswold was present), W. Flewelling, L. McCormick, and P. Callanan

Also present: Selectman Will Brownsberger, Selectman Paul Solomon, Town Administrator Mel Kleckner, Town Accountant Barbara Hagg, Town Treasurer Susan Freiner, Sr. Center Building Committee member Karen Pressey, and Capital Budget Committee Member Ralph Jones

Chairman Widmer called the meeting to order at 7:46 PM. He informed the Committee that Members Schafer, Flewelling, and McCormick will be leaving Warrant Committee since their term is over. Ralph Jones will be re-joining the Committee. Lynne Doblin will also be joining the Warrant Committee.

Acceptance of Minutes

The Committee discussed and the minutes of the May 26, 2004 meeting.

- *Member Hofmann made a motion, Member Brusch seconded said motion, and the Committee unanimously voted to accept the minutes of the May 26, 2004 meeting.*

Summer Committees

Member Brusch reviewed the Warrant Committee Summer Subcommittee Assignments (*Handout 6*). At the September meeting, there will be reports expected from most of the committees. Chairman Widmer reminded the Committee that we are getting a head start on the year by working on these topics this summer.

Reserve Fund Transfers

Town Accountant Hagg informed the Committee there is a transfer request from the Accounting Department for \$20,160. This is the first year of GASB 34 implementation, which is a lot of work. Treasurer Freiner got an Aaa rating for the debt issued today. We would not have received such a low rate of 4.2% without the completion of GASB 34.

Member Hofmann asked where we stand on the total of the Reserve Fund transfers. Currently we have a balance of \$221K less the \$20K requested so far tonight, totaling about \$200K.

- *Member Brusch made a motion, Member Heigham seconded said motion, and the Committee unanimously voted to transfer \$20,160 from Warrant Committee Reserve Fund to the Accounting Department.*

Dr. Missal discussed the unemployment compensation for the School Department employees. There is a shortfall of \$27,886. One of those claims (about \$15K) will be covered with the METCO Budget. We are \$11,926 still short in unemployment compensation. Most of this is due to cutting positions, having some people who were not renewed, and we eliminated a METCO Coordinator position (covered out of the METCO Budget).

Member Curtis asked why the trend in increasing unemployment compensation. Dr. Missal reviewed a few factors, the newest factor is that substitute teachers, in some circumstances, can claim unemployment compensation. There was a change in the DET regulations that allow this to occur. Dr. Missal and others are considering options within the School Department if legislation cannot stop this. Mr. Jones has urged the School Committee to outsource the substitute issue. Kelly Services is advertising that they provide substitute services, which he mentioned as one option.

Member Hofmann wants to make sure FY05's Budget includes these now anticipated and known factors, in order to prevent a future shortfall.

- *Member Heigham made a motion, Member Hofmann seconded said motion, and the Committee unanimously voted to transfer \$11,926 from Warrant Committee Reserve Fund to the School Department.*

Dr. Missal has an upcoming Reserve Fund transfer request in FY05. We had elevator inspections under the new regulations. The HS and Wellington are not under compliance. We have a verbal approval from DCAM to call this an "emergency." The total repairs come to \$97K. Since FY05 starts tomorrow, either we need to prepare for this transfer request or have a Special Town Meeting to make a special appropriation.

Continue First Look at FY06 Budget

This topic particularly deals the override, the timing and how much. Before we get into that discussion, Vice Chairman White briefly summarized where we are in terms of FY06 (see *Handout 2*). He reviewed the "Town of Belmont Budget Forecast for FY06-FY09" for fiscal year FY06. There is a roughly a \$1 million loss under the set of spreadsheet assumptions. This would give us a tax rate increase of 5%. Any additional operating override would increase that amount.

Karen Pressey will bring us up to date on the Senior Center and debt exclusion potential. Ms. Pressey reported that the Sr. Center has completed the schematic design. The next step will be the design development and the production of construction documents. At this point, the construction costs (bricks and mortar) is \$3.6 million. When you add the soft costs (in-house such as legal fees, clerk of the works, furnishings, security, bidding, etc.) that is another \$1.19 million. The total project cost is just under \$5 million. The current thought is that we would go for a debt exclusion in April and then go to Town Meeting for the authorization of the funding. In this figure is a 5% inflation factor if we go that route. Because of the size of this project, it philosophically has some problems in terms of the numbers. If we were to put something on the ballot for the design development (\$73K), the construction document phase (about \$145K), and the bidding costs (just under \$10K), then we would be able to get the bids out for the spring. It would save us about \$90K in the inflation factor. Our Lady's lease is up with the Town in May 2006.

Chairman Widmer opened the discussion up regarding the potential FY06 override with this fall as one possibility, April as the second possibility, and going to Town Meeting with three options as a third option. He had hoped we could get the override done before we get the next debt exclusion. As we heard tonight, the Senior Center Committee is presenting an April debt exclusion.

Member Fitzgerald believes the education process would take more time than what we have for November. He does like the idea of presenting this to Town Meeting and getting their support.

Member Hofmann thinks we need to quantify what people do not get if we cannot pass this override. He does not know where the residents are on this topic. Also, this does not even include the Libraries, HS, and other building renovations. The expectations need to be clear to the residents.

Member Bruschi thinks that if there is an override decision on the November ballot, then the decision needs to be provided (an amount and a purpose) to the Secretary of State by August 4. Between now and when the Board of Selectmen meet on July 12th, there needs to be a lot of things done for a purpose and an amount. If Belmont does a separate November ballot as a Special Election on the same day, it may move the process of when the amount and purpose has to be provided to 3-4 weeks prior to the November election.

Member Curtis pointed out this cannot be decided in 12 days. To have something for the November election, it would be a more representative vote than if we held it off until April.

Member Oates would like people to get used to the quarterly tax billing, and put some options on a spring ballot. Member Hofmann added the actual FY05 taxes will show up on the bill due in February. He is not sure people would vote for two more increases a month or so later. Member Oates added that providing options for the residents to vote in the Town menu is more effective than providing only one number.

Vice Chairman White said it is really important we have a detailed evaluation before going to the voters. We cannot scrutinize the budget by November. Something less than that is not worth bringing to the voters.

Selectman Brownsberger likes November because it makes for a better spring planning process. An override is a multi year decision. We have to think in a broad-brush fashion of our expected growth rate and other factors. We are in as good a position to give the voters where we are in November than in April.

Selectman Solomon reluctantly thinks it should go later in the fiscal year. It does not have to wait until April however. He does not think we should go for a \$1.2 million override knowing that we are going to be in a deficit for FY07. He emphasized that he does not want to see the Sr. Center put off any further.

Member Curtis understands we need to get the budget as fine tuned as we can for April because that gives the most honest picture to the voters about FY06.

Member Brusch does not think this potential FY06 override is only \$1.3 million. She reviewed what happened in Lexington regarding their recent overrides. It cost the proponents of the override over \$80K of their supporters money.

Vice Chairman White would like clarity on the fundraising commitment on the Sr. Center sooner rather than later. Selectman Brownsberger believes we will have a better idea by next March in time for the April election and Town Meeting.

Member Hofmann would like to talk about the larger ticket items such as the HS, Wellington, and others as part of our big picture. Member Brusch gave some timelines on those larger items. In September, we will have a lot of those numbers more clearly.

Chairman Widmer does not hear a strong sentiment for doing this in November. He wanted to have this discussion to see where the Committee did stand on this topic.

Town Administrator Kleckner devoted his last Department Head meeting with the idea of having an override and developing meaningful budget exercises. He will be discussing this with the Board of Selectmen as early as July 12.

Chairman Widmer said that in September we should have a parallel process or a process preceding the budget in order to begin to grab hold of these themes/points we have heard tonight.

Other

The Warrant Committee will be meeting on September 8th and 22nd.

Member Heigham made a motion, and it was voted unanimously to adjourn the meeting at 9:20 PM.

Respectfully submitted,

Kristina E. Frizzell

Recording Clerkp